

ASSEMBLY BILL

No. 2296

Introduced by Assembly Member Block

February 24, 2012

An act to amend Sections 94897 and 94909 of, and to add Section 94913 to, the Education Code, relating to private postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 2296, as introduced, Block. Private Postsecondary Education Act of 2009: disclosures.

Existing law, the California Private Postsecondary Education Act of 2009, provides, among other things, for student protections and regulatory oversight of private postsecondary schools in the state. The act is enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs. The act prohibits an institution, as defined, from, among other things, offering an unaccredited doctoral degree program without disclosing to prospective students prior to enrollment that the degree program is unaccredited, whether the degree issued is in a field that requires licensure in California, and any known limitation of the degree, including, but not limited to, whether the degree is recognized for licensure or certification in California and other states.

This bill would apply that prohibition to the offering of associate, baccalaureate, and masters degree programs as well.

The act requires an institution to provide a prospective student prior to enrollment with a school catalog and a School Performance Fact Sheet, which are required to contain specified disclosures relating to the school or a particular program. The act also requires an institution

to submit an annual report to the bureau that includes specified information for educational programs offered in the reporting period.

This bill would require the school catalog to include a statement specifying whether the institution, or any of its programs, are accredited by an approved accrediting agency of the United States Department of Education, and, if the institution offers an associate, baccalaureate, masters, or doctoral degree program that is not accredited by such an agency, the statement would be required to disclose that nonaccreditation and all known limitations of the degree. The bill would require an institution that maintains an Internet Web site to provide on that Internet Web site the school catalog, a School Performance Fact Sheet for each educational program offered by the institution, student brochures offered by the institution, a link to the bureau's Internet Web site, and the institution's most recent annual report submitted to the bureau. The bill would also require the institution to include information concerning where students may access the bureau's Internet Web site anywhere the institution identifies itself as being approved by the bureau.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 94897 of the Education Code is amended
- 2 to read:
- 3 94897. An institution shall not do any of the following:
- 4 (a) Use, or allow the use of, any reproduction or facsimile of
- 5 the Great Seal of the State of California on a diploma.
- 6 (b) Promise or guarantee employment, or otherwise overstate
- 7 the availability of jobs upon graduation.
- 8 (c) Advertise concerning job availability, degree of skill, or
- 9 length of time required to learn a trade or skill unless the
- 10 information is accurate and not misleading.
- 11 (d) Advertise, or indicate in promotional material, without
- 12 including the fact that the educational programs are delivered by
- 13 means of distance education if the educational programs are so
- 14 delivered.
- 15 (e) Advertise, or indicate in promotional material, that the
- 16 institution is accredited, unless the institution has been accredited
- 17 by an accrediting agency.

1 (f) Solicit students for enrollment by causing an advertisement
2 to be published in “help wanted” columns in a magazine,
3 newspaper, or publication, or use “blind” advertising that fails to
4 identify the institution.

5 (g) Offer to compensate a student to act as an agent of the
6 institution with regard to the solicitation, referral, or recruitment
7 of any person for enrollment in the institution, except that an
8 institution may award a token gift to a student for referring an
9 individual, provided that the gift is not in the form of money, no
10 more than one gift is provided annually to a student, and the gift’s
11 cost is not more than one hundred dollars (\$100).

12 (h) Pay any consideration to a person to induce that person to
13 sign an enrollment agreement for an educational program.

14 (i) Use a name in any manner improperly implying any of the
15 following:

16 (1) The institution is affiliated with any government agency,
17 public or private corporation, agency, or association if it is not, in
18 fact, thus affiliated.

19 (2) The institution is a public institution.

20 (3) The institution grants degrees, if the institution does not
21 grant degrees.

22 (j) In any manner make an untrue or misleading change in, or
23 untrue or misleading statement related to, a test score, grade or
24 record of grades, attendance record, record indicating student
25 completion, placement, employment, salaries, or financial
26 information, including any of the following:

27 (1) A financial report filed with the bureau.

28 (2) Information or records relating to the student’s eligibility
29 for student financial aid at the institution.

30 (3) Any other record or document required by this chapter or
31 by the bureau.

32 (k) Willfully falsify, destroy, or conceal any document of record
33 while that document of record is required to be maintained by this
34 chapter.

35 (l) Use the terms “approval,” “approved,” “approval to operate,”
36 or “approved to operate” without stating clearly and conspicuously
37 that approval to operate means compliance with state standards as
38 set forth in this chapter. If the bureau has granted an institution
39 approval to operate, the institution may indicate that the institution

1 is “licensed” or “licensed to operate,” but may not state or imply
2 either of the following:

3 (1) The institution or its educational programs are endorsed or
4 recommended by the state or by the bureau.

5 (2) The approval to operate indicates that the institution exceeds
6 minimum state standards as set forth in this chapter.

7 (m) Direct any individual to perform an act that violates this
8 chapter, to refrain from reporting unlawful conduct to the bureau
9 or another government agency, or to engage in any unfair act to
10 persuade a student not to complain to the bureau or another
11 government agency.

12 (n) Compensate an employee involved in recruitment,
13 enrollment, admissions, student attendance, or sales of educational
14 materials to students on the basis of a commission, commission
15 draw, bonus, quota, or other similar method related to the
16 recruitment, enrollment, admissions, student attendance, or sales
17 of educational materials to students, except as provided in
18 paragraph (1) or (2):

19 (1) If the educational program is scheduled to be completed in
20 90 days or less, the institution shall pay compensation related to
21 a particular student only if that student completes the educational
22 program.

23 (2) For institutions participating in the federal student financial
24 aid programs, this subdivision shall not prevent the payment of
25 compensation to those involved in recruitment, admissions, or the
26 award of financial aid if those payments are in conformity with
27 federal regulations governing an institution’s participation in the
28 federal student financial aid programs.

29 (o) Require a prospective student to provide personal contact
30 information in order to obtain, from the institution’s Internet Web
31 site, educational program information that is required to be
32 contained in the school catalog or any information required
33 pursuant to the consumer information requirements of Title IV of
34 the federal Higher Education Act of 1965, and any amendments
35 thereto.

36 (p) Offer an unaccredited *associate, baccalaureate, masters, or*
37 *doctoral degree* program without disclosing to prospective students
38 prior to enrollment that the degree program is unaccredited,
39 whether the degree issued is in a field that requires licensure in
40 California, and any known limitation of the degree, including, but

1 not limited to, whether the degree is recognized for licensure or
2 certification in California and other states.

3 SEC. 2. Section 94909 of the Education Code is amended to
4 read:

5 94909. (a) Prior to enrollment, an institution shall provide a
6 prospective student, either in writing or electronically, with a
7 school catalog containing, at a minimum, all of the following:

8 (1) The name, address, telephone number, and, if applicable,
9 Internet Web site address of the institution.

10 (2) Except as specified in Article 2 (commencing with Section
11 94802), a statement that the institution is a private institution and
12 that it is approved to operate by the bureau.

13 (3) The following statements:

14 (A) "Any questions a student may have regarding this catalog
15 that have not been satisfactorily answered by the institution may
16 be directed to the Bureau for Private Postsecondary Education at
17 (address), Sacramento, CA (ZIP Code), (Internet Web site address),
18 (telephone and fax numbers)."

19 (B) "As a prospective student, you are encouraged to review
20 this catalog prior to signing an enrollment agreement. You are also
21 encouraged to review the School Performance Fact Sheet, which
22 must be provided to you prior to signing an enrollment agreement."

23 (C) "A student or any member of the public may file a complaint
24 about this institution with the Bureau for Private Postsecondary
25 Education by calling (toll-free telephone number) or by completing
26 a complaint form, which can be obtained on the bureau's Internet
27 Web site (Internet Web site address)."

28 (4) The address or addresses where class sessions will be held.

29 (5) A description of the programs offered and a description of
30 the instruction provided in each of the courses offered by the
31 institution, the requirements for completion of each program,
32 including required courses, any final tests or examinations, any
33 required internships or externships, and the total number of credit
34 hours, clock hours, or other increments required for completion.

35 (6) If the educational program is designed to lead to positions
36 in a profession, occupation, trade, or career field requiring licensure
37 in this state, a notice to that effect and a list of the requirements
38 for eligibility for licensure.

39 (7) Information regarding the faculty and their qualifications.

1 (8) A detailed description of institutional policies in the
2 following areas:

3 (A) Admissions policies, including the institution's policies
4 regarding the acceptance of credits earned at other institutions or
5 through challenge examinations and achievement tests, admissions
6 requirements for ability-to-benefit students, and a list describing
7 any transfer or articulation agreements between the institution and
8 any other college or university that provides for the transfer of
9 credits earned in the program of instruction. If the institution has
10 not entered into an articulation or transfer agreement with any
11 other college or university, the institution shall disclose that fact.

12 (B) Cancellation, withdrawal, and refund policies, including an
13 explanation that the student has the right to cancel the enrollment
14 agreement and obtain a refund of charges paid through attendance
15 at the first class session, or the seventh day after enrollment,
16 whichever is later. The text shall also include a description of the
17 procedures that a student is required to follow to cancel the
18 enrollment agreement or withdraw from the institution and obtain
19 a refund consistent with the requirements of Article 13
20 (commencing with Section 94919).

21 (C) Probation and dismissal policies.

22 (D) Attendance policies.

23 (E) Leave-of-absence policies.

24 (9) The schedule of total charges for a period of attendance and
25 an estimated schedule of total charges for the entire educational
26 program.

27 (10) A statement reporting whether the institution participates
28 in federal and state financial aid programs, and if so, all consumer
29 information that is required to be disclosed to the student pursuant
30 to the applicable federal and state financial aid programs.

31 (11) A statement specifying that, if a student obtains a loan to
32 pay for an educational program, the student will have the
33 responsibility to repay the full amount of the loan plus interest,
34 less the amount of any refund, and that, if the student has received
35 federal student financial aid funds, the student is entitled to a refund
36 of the moneys not paid from federal student financial aid program
37 funds.

38 (12) A statement specifying whether the institution has a pending
39 petition in bankruptcy, is operating as a debtor in possession, has
40 filed a petition within the preceding five years, or has had a petition

1 in bankruptcy filed against it within the preceding five years that
2 resulted in reorganization under Chapter 11 of the United States
3 Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

4 (13) If the institution provides placement services, a description
5 of the nature and extent of the placement services.

6 (14) A description of the student's rights and responsibilities
7 with respect to the Student Tuition Recovery Fund. This statement
8 shall specify that it is a state requirement that a student who pays
9 his or her tuition is required to pay a state-imposed assessment for
10 the Student Tuition Recovery Fund. This statement shall also
11 describe the purpose and operation of the Student Tuition Recovery
12 Fund and the requirements for filing a claim against the Student
13 Tuition Recovery Fund.

14 (15) The following statement:

15
16 "NOTICE CONCERNING TRANSFERABILITY OF
17 CREDITS AND CREDENTIALS EARNED AT OUR
18 INSTITUTION

19 The transferability of credits you earn at (name of institution)
20 is at the complete discretion of an institution to which you
21 may seek to transfer. Acceptance of the (degree, diploma, or
22 certificate) you earn in (name of educational program) is also
23 at the complete discretion of the institution to which you may
24 seek to transfer. If the (credits or degree, diploma, or
25 certificate) that you earn at this institution are not accepted at
26 the institution to which you seek to transfer, you may be
27 required to repeat some or all of your coursework at that
28 institution. For this reason you should make certain that your
29 attendance at this institution will meet your educational goals.
30 This may include contacting an institution to which you may
31 seek to transfer after attending (name of institution) to
32 determine if your (credits or degree, diploma or certificate)
33 will transfer."
34

35 (16) *A statement specifying whether the institution, or any of*
36 *its programs, are accredited by an approved accrediting agency*
37 *of the United States Department of Education. If the institution*
38 *offers an associate, baccalaureate, masters, or doctoral degree*
39 *program that is not accredited, the statement shall disclose that*
40 *nonaccreditation and all known limitations of the degree program.*

1 (b) If the institution has a general student brochure, the
2 institution shall provide that brochure to the prospective student
3 prior to enrollment. In addition, if the institution has a
4 program-specific student brochure for the program in which the
5 prospective student seeks to enroll, the institution shall provide
6 the program-specific student brochure to the prospective student
7 prior to enrollment.

8 (c) An institution shall provide the school catalog to any person
9 upon request. In addition, if the institution has student brochures,
10 the institution shall disclose the requested brochures to any
11 interested person upon request.

12 SEC. 3. Section 94913 is added to the Education Code, to read:
13 94913. (a) An institution that maintains an Internet Web site
14 shall provide on that Internet Web site all of the following:

15 (1) The school catalog.

16 (2) A School Performance Fact Sheet for each educational
17 program offered by the institution.

18 (3) Student brochures offered by the institution.

19 (4) A link to the bureau's Internet Web site.

20 (5) The institution's most recent annual report submitted to the
21 bureau.

22 (b) An institution shall include information concerning where
23 students may access the bureau's Internet Web site anywhere the
24 institution identifies itself as being approved by the bureau.